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Congress of the United States
House of Representatives
Washington, DC 20515-4209

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IN EUROPE (U.S. HELSINKI COMMISSION)

April 16, 2020

The Honorable Nancy Pelosi
Speaker of the House of Representatives
U.S. House of Representatives
H-232, U.S. Capitol
Washington, DC 20515

The Honorable Steny Hoyer
Majority Leader
U.S. House of Representatives
H-107, U.S. Capitol
Washington, DC 20515

The Honorable James E. Clyburn
Majority Whip
U.S. House of Representatives
H-329, U.S. Capitol
Washington, DC 20515

Dear Speaker Pelosi, Majority Leader Hoyer and Majority Whip Clyburn,

I'm writing to express my concern regarding some of the provisions in the recently passed CARES Act, which made several tax changes related to businesses' net operating losses (NOLs) and reversed restrictions imposed by the shameful 2017 GOP tax cuts.

According to the Washington Post¹, one provision temporarily suspended a limitation on how much business owners can deduct against their nonbusiness income, such as capital gains to reduce their tax liability via "pass-through" entities.

¹Stein, Jeff, "Tax change in coronavirus package overwhelmingly benefits millionaires, congressional body finds," *Washington Post*, <https://www.washingtonpost.com/business/2020/04/14/coronavirus-law-congress-tax-change/>

The suspension of this limitation significantly and unfairly benefits high earners. In fact, according to the Joint Committee on Taxation (JCT) analysis requested by Representative Lloyd Doggett and Senator Sheldon Whitehouse, more than 80 percent of the benefits of this tax change will go to those who earn more than \$1 million annually, adding up to about 43,000 individuals. Even worse, this limitation will cost taxpayers about \$90 billion in 2020 alone.

It is egregious that Republicans fought for additional tax breaks for the wealthy and real estate investors amid a global health pandemic while millions of Americans are barely able to make their monthly payments. We need additional relief for both individuals and families struggling to make their mortgage, rent and utility payments and increased funding for small businesses trying to keep their staff on payroll.

I urge you respectfully consider eliminating these provisions in any upcoming coronavirus relief package and continue to focus House Democrats' efforts on relief for individuals, families and small businesses.

During these uncertain times, I appreciate your leadership, and I am grateful to work alongside you in the House of Representatives. Thank you for your unwavering commitment to the safety, health and prosperity of all Americans.

As always, I remain,

Sincerely,



Steve Cohen
Member of Congress